

REMARKS

Applicant replies to the Office Action dated October 10, 2007 within the shortened statutory three month period for reply. Claims 1-7, 9-17, 19-23, 25, 26, and 28-32 were pending in the application and the Examiner objects to claims 1-7, 9-17, 19-23, 25, 26, and 28-32. Applicant cancels claims 9, 10, 15, 20, 21, and 31 without prejudice to filing one or more claims disclosing similar subject matter. Reconsideration of the pending claims is requested. The amendments are adequately supported in the originally-filed specification, drawings and claims. No new matter is added in this Reply.

Applicants respectfully request the Examiner to enter the Preliminary Amendment with Supplemental Application Data Sheet which was received by the U.S. Patent and Trademark Office on July 22, 2005.

Rejections Under 35 U.S.C. § 103

The Examiner rejects claims 2, 3, and 18 under 35 U.S.C. § 103(a) as being unpatentable over Armes, U.S. Patent Publication No. 2001/0034720 in view of Kavanagh et al., U.S. Patent Publication No. 2004/0128243 ("Kavanagh"). Applicants respectfully traverse the rejection.

Armes generally discloses a transaction number that is associated with a primary account number. Specifically, the transaction number of Armes is a randomly generated proxy number that is associated with a transaction card account number. Armes further allows the owner of the primary account to assign limited use parameters to control how the number is used. The proxy number disclosed by Armes is used to facilitate a financial transaction in lieu of the actual account number. In other words, the proxy number is formatted such that it can be processed by a point of sale system in the conventional manner. The proxy number is transmitted from the point of sale system to a card authorization system for authorization of a financial transaction. The card authorization system is able to differentiate a proxy number from a real account number. As such, the card authorization system processes the proxy number differently in that it searches a database on the proxy number to locate a corresponding account number. The account number is then used by the card authorization system to determine whether to approve or decline the financial transaction. The card authorization system further confirms that the financial transaction conforms to the limited use parameters. Based on all conditions being met, the card authorization system sends either an approval or decline message to the point of sale.

Contrary to the presently claimed invention, Armes discloses a proxy number that can be provided to a merchant to facilitate a purchase transaction in lieu of the actual account number. While

the intent of Armes is to limit the liability should the proxy number become compromised (e.g., lost, stolen, copied, etc.), it does not eliminate the risk of fraudulent use altogether. For example, an Armes' card holder may obtain a proxy corresponding to her charge card number. She may further define a limited use parameter that prevents any transactions exceeding \$500 from being approved. Therefore, if her proxy number becomes compromised, she (or the credit provider) only incurs the loss of the \$500, rather than a more significant loss. Like a standard charge card number, the proxy card number is not easily retained within a person's memory due to the length of the number (15 to 16 digits). Therefore, the proxy number will most likely be written down on paper, printed, or maintained in any other human readable form. Therefore, while the risk of loss is certainly lowered under Armes, it does not completely eliminate the need to maintain a readable form of the proxy number.

As those of ordinary skill in the art would appreciate, the Personal Identification Number (PIN) creates an additional line of security for transaction card based transactions. For example, if a debit card with an associated PIN is stolen, the card is unusable by the thief because he does not also have the associated PIN which is required for financial transactions. However, the standard transaction card with associated PIN is not beyond risk. Some people provide their PIN to a trusted third-party (e.g., a child, relative, friend, employee, etc.) to enable them to use the card for a specific purpose. The trusted third-party may turn out to be not so trustworthy, thereby using the card and PIN for unauthorized purchases.

The presently claimed invention improves upon these and other problems. First, a PIN is much easier to memorize (e.g., 4 digits as opposed to 16). This enables the card holder to easily memorize the PIN, therefore avoiding loss should the transaction card number become compromised. The PIN of the presently claimed invention further enables the card holder to place restrictions on the transaction card account to prevent unanticipated use (e.g., a child using the card to purchase video games as opposed to purchasing school clothing). Moreover, because it is a single use PIN, loss of an already used PIN if the PIN is lost or stolen with the transaction card, makes it impossible for subsequent use of the entire account.

Kavanagh generally discloses a transaction processing system for real-time authorization of payment transactions. Specifically, the Kavanagh system includes a verification system connected to an issuer card management system. A card holder can access the system via an Internet interface to input rules governing how their credit card transactions are to be authorized. When the card holder initiates a purchase transaction with their credit card, an authorization request is passed from the card network to the verification system which executes the rules created by the cardholder in order to

approve or deny the transaction. However, Kavanagh lacks any disclosure directed toward providing a limited use PIN that is associated with a transaction account number.

In addition to the above advantages over the cited references, the presently claimed invention reduces the amount of work required at settlement. For example, Armes discloses that during settlement, each limited use account number that was obtained and used during the billing cycle is used to locate the corresponding actual account number. This is required, because in order to provide the card member with a statement of transactions, all transactions must be located, regardless of the limited use account number used. To the contrary, the presently claimed invention approves a financial transaction based on the actual account number. Therefore, the transaction is recorded with an actual account number rather than a proxy number that is only associated with the actual account number. For this and the above outlined reasons, neither Armes, Kavanagh, nor any combination thereof disclose or contemplate at least:

- identifying a primary account having an associated account number;
- generating a limited use Personal Identification Number (PIN) that is configured to facilitate a transaction;
- associating the limited use PIN with said at least one primary account;
- issuing the limited use PIN to a first party to facilitate a transaction with a second party, wherein the limited use PIN is configured to be immediately usable for facilitating the transaction with the second party;
- receiving transaction information from the second party for authorization, wherein said transaction information includes said account number and limited use PIN;
- forwarding the transaction information to a card authorization system for authorization processing;
- processing the transaction information with the card authorization system, wherein the card authorization system determines whether the transaction information includes the limited use PIN and interfaces with a limited use PIN system to determine whether authorization is appropriate, wherein authorization determination includes:
 - receiving account information associated with the account number; and
 - determining whether conditions-of-use parameters associated with said limited use PIN are satisfied, the conditions-of-use parameters defining at least a predetermined restriction on use of the limited use PIN; and,
- returning an approval code to the secondary party, when the conditions-of-use parameters associated with the limited use PIN are satisfied

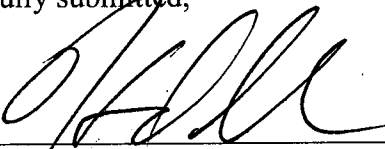
as similarly disclosed by independent claim 1 and 19.

Applicants assert that dependent claims 2-16, 22, 23, 25, 26, 28-30 and 32 variously depend from independent claims 1 and 19, so claims 2-16, 22, 23, 25, 26, 28-30 and 32 are differentiated from the cited references for at least the same reasons as set forth above, as well as in view of their own respective features.

Applicant submits that the application is now in condition for examination on the merits. Early notification of such action is earnestly solicited. Should the Examiner have any suggestions to place the application in even better condition for allowance, Applicant requests that the Examiner contact the undersigned representative at the telephone number listed below.

Respectfully submitted,

Date: January 10, 2008

By: 
Howard I. Sobelman
Reg. No. 39,038

SNELL & WILMER L.L.P.
One Arizona Center
400 East Van Buren
Phoenix, AZ 85004-2202
Phone: (602) 382-6228
Fax: (602) 382-6070
Email: hsobelman@swlaw.com